

Old Age, Disability, Death

First laws: 1829-1934.

Current law: 1995 (implemented 1996).

Type of program: Dual social insurance and private insurance systems.

Exchange rate: U.S.\$1.00 equals 10.71 new pesos (NP).

Note: As of April 1996, all employees less than 40 years of age or entering the labor force must join new mixed system. Employees over age 40 have a choice. Mixed system includes: Social insurance for those with income below 5,000NP per year and mandatory private insurance (individual accounts) for income between 5,000NP-15,000NP per year. Voluntary additional contributions to individual accounts for income above 15,000NP.

Coverage

Employees and self-employed persons. Separate systems for bank employees, notaries, university graduates, members of the armed forces, and police.

Source of Funds

Insured person: 15% of earnings. Contributions split between social insurance system and individual account: 1st 7.47NP goes to social insurance; balance less 3% administrative fee goes to individual account.

Employer: 12.5% of payroll.

Government: Allocations from proceeds of various taxes help finance deficits.

Above contributions also finance sickness and maternity benefits, unemployment, and family allowances.

Minimum earnings for benefit purposes: 822NP a month.

Qualifying Conditions

Old-age pension: Age 60 (men) and 56 (women) and 35 years of coverage. Retirement age for women gradually increased to age 60 by year 2003. Additional years of service credited for hazardous occupations.

Advanced age pension, age 70 (men) and 66 (women) and 11 years of service (residency requirement for foreigners). Retirement age for women and years of service for both men and women gradually increased to age 70 and 15 years, respectively, by year 2003.

Retirement from previous sector of covered employment necessary. Can be paid abroad indefinitely.

Disability pension: Inability to work in any employment and not in receipt of any other benefit. If disability caused by an accident, no other requirement. If disability permanent, 10 years of coverage needed if unemployed at time of onset. In all cases, 2 years of recognized service of which 6 months must be immediately prior to onset of disability.

Partial disability: minimum of 3 years of service.

Survivor pension: Deceased was pensioner in covered employment within 1 year of death, or received unemployment benefits at death or died within 1 year of termination of benefits. Only payable abroad temporarily unless reciprocal agreement.

Means-tested allowance: Payable to needy aged 70 and over or totally disabled for all work; 15 years residency and not in receipt of any other benefit.

Old-Age Benefits

Old-age pension social insurance: 50% of average earnings in last 10 years. Percentage increased by 1/2 percentage point for every year of work over 35 years, up to 2.5% of earnings. 3% for each additional year over age 60, up to a maximum of 30%.

Minimum pension: 100% of minimum wage at date of retirement, 550NP in 1999. Maximum, 7 to 15 times minimum wage depending on type of work, 4,125NP in 1999.

Advanced age pension: 50% of average earnings in last 3 years, plus 1% of earnings for each year of service over 15 years, up to maximum of 14 years.

Adjustment: Automatic annual adjustment of pensions according to changes in wages.

Old-age pension mandatory private insurance: Insured's contributions plus accrued interest, less administrative fees. Amount varies according to individual's life expectancy at time of retirement.

Permanent Disability Benefits

Disability pension: 65% of average earnings in last 10 years or actual amount of time worked if less than 10 years.

Minimum, 100% of minimum wage at date of retirement, 950NP in 1999.

Maximum, 4,125NP in 1999.

Adjustment: Automatic annual adjustment according to changes in wages.

Survivor Benefits

Survivor pension: Up to 75% of pension of insured payable to widow, or widower, divorced spouse, unmarried children under age 21 (no limit if disabled), and disabled parents.

Adjustment: Automatic annual adjustment according to changes in wages.

Funeral grant: Cost of funeral up to 2,300NP in 1999.

Administrative Organization

Social Security Bank, supervision and administration of program.

Central Bank of Uruguay, oversees private program.

Pension fund management companies (AFAPs), manage individual accounts.

Sickness and Maternity

First laws: 1958 (maternity benefits) and 1960 (sickness benefits for construction workers).

Current laws: 1975 (sickness) and 1980 (maternity).

Type of program: Social insurance system.

Coverage

Sickness benefits: All employed persons, and self-employed persons in the private sector.

Maternity benefits: Employed and self-employed persons and persons in receipt of unemployment benefits.

Source of Funds

Insured person: 3% of earnings.

Employer: 5% of payroll; plus an additional amount for affiliation with a particular institution that provides the medical services.

Government: See pension contributions, above.

Qualifying Conditions

Cash sickness benefits: 3 months of contribution, or 75 days of contribution in last 12 months.

Cash maternity benefits: Currently insured or receiving unemployment benefits.

Sickness and Maternity Benefits

Sickness benefit: 70% of earnings. Maximum: 3 times minimum wage. Payable from 4th day for up to 1 year (may be extended for 1 additional year).

Maternity benefit (payable under family allowance program): 100% of earnings. Payable for up to 6 weeks before and 6 weeks after confinement.

Workers' Medical Benefits

Medical benefits: Comprehensive medical services available through special mutual systems. Maternity care provided for working women under family allowance program.

Dependents' Medical Benefits

Medical benefits for dependents: Maternity care for wife of insured and pediatric care for children up to 6 years of age provided under family allowance program (can be extended to 14 years of age).

Administrative Organization

Social Security Bank, administration of program.

Workers' Medical Benefits

Medical benefits: Medical and surgical care, hospitalization, medicines, and appliances.

Survivor Benefits

Survivor pension: 50% of earnings of insured. Payable to spouse or common-law wife.

Orphans: 20%-100% of earnings for dependent orphans under age 18 (no age limit if disabled).

Administrative Organization

State Insurance Bank, administration of program.

Unemployment

First law: 1934.

Current law: 1981.

Type of program: Social insurance system.

Coverage

Employees in industry and commerce.

Exclusions: Bank employees, agricultural workers and domestics.

Source of Funds

Insured person: See pension contributions, above.

Employer: Same.

Government: No specified amount.

Qualifying Conditions

Unemployment benefits: During 12 months prior to unemployment, worker must have 6 months (employees who are paid monthly) or 150 days (employees paid daily wages) of work or 6 times minimum wage (for those paid at irregular intervals). Unemployment due to suspension or reduction in work and not due to dismissal for disciplinary reasons.

Unemployment Benefits

Unemployment benefit: 50% of average earnings or 12 days' average earnings in 6 months prior to unemployment.

Supplement to worker with dependents: 20% of benefit.

Minimum, 50% of national minimum wage.

Administrative Organization

Social Security Bank, administration of program.

Family Allowances

First law: 1943.

Current laws: 1980 and 1995.

Type of program: Social insurance system.

Coverage

Employed persons, domestic workers, persons in receipt of unemployment benefits, newspaper and small rural products vendors, and pensioners.

Work Injury

First law: 1914.

Current law: 1989.

Type of program: Compulsory insurance with public carrier.

Coverage

Employed persons in private and public sectors.

Source of Funds

Insured person: None.

Employer: Whole cost, through contributions varying with risk (about 5%).

For agricultural workers, assessments made according to land area employer has under cultivation.

Government: None.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit: 66-2/3% of earnings, payable after 4 day waiting period.

Permanent Disability Benefits

Permanent disability pension: Payable according to degree of incapacity between 10-100%.

Source of Funds

Insured person: See pension contributions, above.

Employer: Same.

Government: No specified amount.

Qualifying Conditions

Family allowances: Child must be under age 14 (18 if student, no limit if disabled).

Maternity allowance: Employed women and women receiving unemployment benefits.

Family Allowance Benefits

Family allowances: Not less than 16% of the monthly minimum wage for those whose incomes are less than 6 times the national minimum wage; 8% for those with incomes between 6 and 10 times the national minimum wage.

Medical care for children up to age 6 and dental care to children up to age 9.

Maternity allowance: Medical assistance during pregnancy and childbirth payable during 6 weeks before and 6 weeks after confinement.

Administrative Organization

Social Security Bank, administration of program.